466 CWUHG

SUBJECT: Transmittal of Memorandum

TO:

Chief, KNOBBY

Heidelberg, Germany

ATTN:

With reference to cable WASH3207, the attached memorandum is furnished for your background and use in discussion of this matter with

Enclosure: 1

DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3828 NAZIWAR CRIMES DISCLOSURE ACT DATE 2007

CLASSIFICATION JAM. 1930

PP SECRET

15 November 1949

MEMORANDUM

- l. The American and British Secret Services are engaged in a joint operation which is calculated to interfere with the use of Pixieland as a base of support for hostile operations against LCFLAKE and which will simultaneously explore and endeavor to test the strengths and weaknesses of the Soviet-dominated regime in Pixieland.
- 2. The first phase of this operation, which was completed in August 1949, involved the formation and public announcement of a refugee Pixie Committee which is designed to serve both as a front and as a rallying point for subsequent activities.
- 3. The second phase of the operation, in which we are currently involved, includes recommaissance through the infiltration of selected agents properly trained into Pixieland. This phase also includes both overt and clandestine propaganda activities designed to create unrest and provide the necessary psychological pre-condition for any outbreak of resistance.
- 4. The mounting and conduct of the second phase has proved extremely difficult, chiefly because of the lack of adequate bases for the training, staging and communications functions involved in this phase. It had been planned to train agents on UVUTA, but various conditions laid upon its use, including a December 1 deadline for closure of the base, made this impossible. The second phase of this operation is therefore in danger of collapse for lack of a base.
- 5. The principal problem facing us at this time in the continued conduct of this operation is the location of a suitable area for holding and training Pixie agents. The majority of suitable Pixie personnel are presently located in IRO camps in KMULCER. While the Government there is exerting considerable pressure to dispose of the inmates of these camps, additional pressure to this same end comes from various recruiting missions in KMULCER, such as the Australian, who seek to recruit these persons for agricultural labor in various areas of the world. A smaller number of Pixie refugees are also located in LCFLAKE, where the Government would also like to see them disposed of. Inasmuch as the number of Pixie refugees suitable for clandestine operations

of this type is severely limited, continued activity along these lines may well dissipate personnel necessary for mounting this operation. Although it has been possible to delay the emigration from KMULCER and LCFLAKE of Pixie refugees it has proved impossible to halt it.

- 6. Continuous examination of the base problem has led to the conclusion that HTSTEXN is the sole alternative remaining to us. Both LCFLAKE and KMULCER are unsuitable for security and political reasons. French territories are considered undesirable for security reasons. The Cyrenaica area, which for a time looked promising, has had to be abandoned because of United Nations consideration of the Cyrenaican question. Egypt, the Levant and Turkey have been rejected for political reasons.
- 7. In view of the foregoing, it is desired to establish, in an appropriately secure area of HTSTEIN, a camp for holding some 250-300 Pixie refugees who will have been carefully selected from the camps in KMULCER and LCFLAKE. The cover for the movement would be ordinary refugee emigration, the pattern of which has been well established during the past year. It would appear that displaced persons cover would likewise be a requisite for the holding area in HTSTEIN, although the specifics would depend upon the location and arrangements concerted for camp administration.

The assistance of the military authorities in HTSTEIN would be required for the administration, security and supply of the camp. In this connection we would be prepared to reimburse those attendant expenses which could not be defrayed from funds available to the military authorities.

8. As indicated in cable WASH-3207, the operational field commander and appropriate Washington representative are prepared to proceed to HTSTEIN for detailed discussions once agreement in principle to the establishment of the facilities has been secured.

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TOP SECRET

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16 NOVEMBER 1949

OFFICE OF POLICY COORDINATION

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FRANKFURT

TO: FRANK

CITE: WASH

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BOFT HAND FOR

RE POUCH 486-CWUHO CRYPTONYMS UNKNOWN TO YOU ARE AS POLLOWS:

- A. PARA ONE IS GREEGE.
- B. PARA FOUR IS MALTA .
- C. PARA FIVE ISBITALY.

FB-III

IN SINCE